THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) to (c) The Professional Workers Trade Union Centre of India to which the Kudremukh Officers Association is affiliated has submitted a representation dated 24th January, 2001 to CMD, Kudremuckh Iron Ore Company Limited (KIOCL) regarding deficiencies in the pay revisions of officers of KIOCL. A copy of the representation has also been sent to Ministry of Steel.

During the finalisation of the pay scales for Supervisors and Executives detailed discussions were held with the representative of the Kudremukh Officers Association by the management of KIOCL. Only after reaching an understanding with the Kudremukh Officers Association, the pay revision proposal was approved by KIOCL Board and by Government. KIOCL implemented the revised pay scales in respect of Executives and Non-unionised Supervisors much earlier to the other organisations referred to i.e. OIC, BHEL and NTPC.

Profits/Losses Making Steel Plants

†481. SHRI BRATIN SENGUPTA: Will the Minister of STEEL be pleased to state:

(a) the number of steel manufacturing undertakings running under public and private sectors making profits/losses, separately, during the last three years and as on date;

(b) the quantum of losses suffered by each of the undertakings during the said period and the reasons therefor;

(c) the steps taken or proposed to be taken to turn the steel plants into profit-making; and

(d) the extent to which the Indian steel industry is capable of meeting the domestic consumption and demand?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) and (b) The profit/loss of the two public sector steel manufacturing undertakings i.e. Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) during the last three years and current year is given below. Financial performance of the private sector steel plants is not Centrally monitored by the Government.

†Original notice of the question was received in Hindi.

(Rs. in crore)

Company	Prof (+)/loss(-) during		
1997-98	1998-99	1999-2000	2000-01
			(Upto Dec. 2000)
SAIL (+)149.00	(-)1618.00	(-)1720	(-)698.00
RINL (-)176.73	(-)437.00	(-)561.00	(-)254.87

The losses of SAIL are due to the stress on margins arising out of a sluggish domestic market in Steel, greater competition from imports and higher interest and depreciation costs on account of capitalisation of modernisation of steel plants. The losses in RINL are mainly due to the high capital related charges pertaining to interest and depreciation, which the company had to bear right from its inception, as also the recent recession in the steel market and low prices in the export market.

(c) Measures taken/being taken to improve performance of SAIL *inter-alia* include:

(i) Business and financial restructuring of SAIL with a view to improve its functioning and enabling SAIL to concentrate on its core business aimed at increasing its competitiveness.

(ii) intensive cost control drive;

(iii) bare minimum capital expenditure.

(iv) market oriented product-mix, increasing sales network, greater focus on customer satisfaction, etc.

(v) implementation of voluntary retirement scheme for right sizing the manpower.

(vi) Thrust on reduction of inventory.

As result of restructuring and other measures taken, company's loss has reduced to Rs. 698 crore in the first three quarters of the current year as compared to a loss of Rs. 2065 crore in the corresponding period last year, thus showing an improvement by 66% .

In RINL the production and financial performance during 2000-2001 has been encouraging.

(d) With the modernisation and expansion of public and private sector steel plants and adoption of various policy measures to encourage creation of additional steel production capacity in the country, Indian steel industry is now capable of meeting the domestic demand, except for a few grades of steel.